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Dan L. Poole
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ORIGINAL

EX PARTE OR LATE FILED

USWEST

EX PARTE FILING

December 9, 1999

Mr. Henry Thaggert
Common Carrier Bureau, Policy Division
Federal Communications Commission
Portals II
445 12th Street, S.W.
Room 5-C100
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: Applications for Transfer of Control of Qwest Communications
International Inc. and U S WEST, Inc., CC Docket No. 99-272

Dear Mr. Thaggert:

This *ex parte* responds to the Staff's request that U S WEST, Inc. ("U S WEST") provide additional information addressing the unsupported allegation of Allegiance¹ that the "Qwest/U S WEST merger could substantially dampen the competitive efforts undertaken by U S WEST Interprise in the BellSouth Region."²

This merger will increase not decrease competition. U S WEST, through its wholly-owned subsidiary Interprise America, Inc., provides telecommunications in eight of the nine BellSouth in-region states. These include Frame Relay, Primary Rate ISDN, Private Line at DS-1 and higher capacity, and Transparent Local Area Network services.³ U S WEST plans to continue offering these services and growing this portion of its business, including in the BellSouth

¹ Comments of Allegiance Telecom, Inc., filed Oct. 1, 1999, at 5.

² U S WEST provides its out-of-region telecommunications services through its wholly-owned subsidiary Interprise America, Inc. The characterization of the revenue numbers and growth calculation contained in Allegiance's October 1, 1999 Comments, footnote 10 are inaccurate. The statistics quoted by Allegiance relate to the combined operations of both Interprise, a division of U S WEST Communications, Inc. and the separate operations of Interprise America, Inc. The quoted revenues and growth predominantly reflect the success of U S WEST Communications, Inc.'s in-region data operations. Of the \$533 million of 1998 revenues, only approximately \$20 million came from out-of-region operations.

³ See U S WEST Response to Response to Staff Request for Information and Documents, filed Nov. 24, 1999, Question 6 and Confidential Document 6.1.

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region. After completion of the merger, Interprise America, Inc. will use Qwest's existing fiber optic network for the transport component of these services to reduce its costs, improve service and enhance its competitiveness.

As noted in the Qwest/U S WEST October 18 reply comments, Qwest entered into a coordinated marketing agreement with BellSouth in April 1999.⁴ Under the terms of that agreement, the merged company (including U S WEST's Interprise America, Inc.) will be free to compete directly with BellSouth in all respects, with one exception. The sole exception is that the agreement precludes Qwest (and, post-merger, U S WEST) from soliciting certain customers that have been carefully identified to a joint Qwest/BellSouth committee as prospects for coordinated marketing (assuming coordinated marketing efforts thereafter are made within a certain period of time), or that have become customers as a result of such coordinated marketing. In all other respects Qwest (and, post-merger, U S WEST) would be free to compete for the business of BellSouth customers and potential customers. This coordinated marketing agreement, because of its focus on specially identified customers, is not expected to have a significant impact on services offered by Interprise America, Inc. in the BellSouth region.

Please call me with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dan L. Poole", followed by a horizontal line and a small mark.

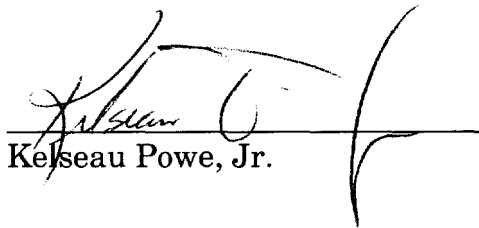
Dan L. Poole
Associate General Counsel

cc: Magalie Roman Salas
Margaret Egler
David Kirschner
Attached service list

⁴ Qwest/U S WEST Response to Comments on Applications for Transfer of Control, filed Oct. 18, 1999, at 11 n.19; see also Qwest Communications International Inc. Response to Staff Request for Information and Documents, filed Nov. 24, 1999, at 19.

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 9th day of December, 1999, I have caused a copy of the foregoing **EX PARTE** to be served, via hand delivery or first class United States Mail, postage prepaid, upon the persons listed on the attached service list.


Kelseau Powe, Jr.

*Served via hand delivery

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